

# **CORRECTED FISCAL NOTE**

## **HB 456 - SB 807**

May 4, 2005

**SUMMARY OF BILL:** Changes the term “crash helmet” to “motorcycle helmet” and exempts motorcyclists and passengers who are 21 years of age and older from wearing a “motorcycle helmet” when operating or riding a motorcycle.

### **ESTIMATED FISCAL IMPACT:**

On February 21, 2005 we issued a fiscal note which indicated *an increase in state expenditures of \$21,000, a not significant decrease in state revenues, a not significant increase in local govt. expenditures, a not significant decrease in local govt. revenues, and an other fiscal impact of exceeding \$100,000 in increase expenditures for crash-related injuries (head injuries) occurring which would not have occurred in the absence of the bill to individuals on TennCare or state or local government health plans; the health plans could experience increased costs.* Based on additional information provided to us, the estimated fiscal impact of this bill is:

#### **(CORRECTED)**

**Increase State Expenditures – \$21,000**

**Increase Local Govt. Expenditures – Not Significant**

**Other Fiscal Impact – Increase Expenditures – Exceeds \$100,000**  
**Crash-related injuries (head injuries) occur which would not have occurred in the absence of the bill to individuals on TennCare or state or local government health plans; the health plans could experience increased costs.**

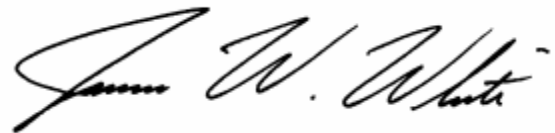
**The cost impact above does not assume any increase in ridership. If ridership increases, there may be additional indirect revenue and cost impacts based upon data from other states. Any potential increased ridership may result in additional sales, registration, and licensure of motorcycles, generating additional revenue for state and local governments. Any increased ridership may also result in increased accidents and health care costs to public health systems including TennCare and the state and local government health plans. These indirect impacts cannot reasonably be quantified, but due to the high cost of care in traumatic injury cases, it is estimated that any increased health care costs would exceed any additional revenue.**

Assumptions:

- The Department of Safety will revise and replace Motorcycle Driver Handbooks totaling \$21,000.
- Fewer convictions for motorcycle helmet law violations resulting in a not significant decrease in state and local govt. revenues.
- Violations for persons under 21 years of age or older would increase resulting in a not significant increase in local govt. expenditures.
- States such as Florida, Arkansas, Texas and Kentucky showed an increase of registrations after the implementation of a similar law.
- The Motorcycle Industry Council estimates that each new buyer purchases \$3,700 worth of accessories and apparel.
- In 2001, the Bureau of TennCare incurred a cost of \$2.8 million dollars for 70 cases of avoidable head injuries. This amount does not include related costs such as out-patient and ER expenses or home based care which is required for many patients who suffer a traumatic brain injury. Based on inflation rates for medical care, it is estimated that the average cost for TennCare to treat an individual with a traumatic head injury is \$50,000 which does not include out-patient, ER expenses or home based care.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director